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THE  
**STERLING TRUSTS**  
CORPORATION

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# DIRECTORS

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*Chairman of the Board*

RAY T. BIRKS, Q.C. - - - - - Toronto, Ont.

*President*

NIELS F. PETERSEN - - - - - Toronto, Ont.

*Vice-Presidents*

ROBERT BIGELOW, Q.C. - - - - - Toronto, Ont.

H. T. BURGESS - - - - - Toronto, Ont.

E. R. MEREDITH - - - - - Orillia, Ont.

S. B. ADAMS, C.A. - - - - - Toronto, Ont.

N. H. BELL - - - - - Toronto, Ont.

WALTER A. DILWORTH - - - - - Toronto, Ont.

R. I. HENDY, Q.C. - - - - - Toronto, Ont.

H. D. LANGDON, Q.C. - - - - - Toronto, Ont.

CHAS. J. SEAGRAM, Q.C. - - - - - Barrie, Ont.

ARTHUR W. WHITE - - - - - Toronto, Ont.

J. ALEX WILSON, B.A.Sc., P.Eng. - - - - - Orillia, Ont.

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T. GORDON TAYLOR - - - - - General Manager

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*Auditors*

MESSRS. PEAT, MARWICK, MITCHELL & CO.

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INCORPORATED IN NINETEEN HUNDRED AND ELEVEN

MEMBER OF CANADA DEPOSIT INSURANCE CORPORATION

64-7495

## EXECUTIVE COMMITTEE

N. F. PETERSEN

S. B. ADAMS, C.A.

ROBERT BIGELOW, Q.C.

H. T. BURGESS

R. I. HENDY, Q.C.

H. D. LANGDON, Q.C.

E. R. MEREDITH

## OFFICERS

R. T. BIRKS, Q.C.  
CHAIRMAN OF THE BOARD

N. F. PETERSEN  
PRESIDENT

H. T. BURGESS  
VICE-PRESIDENT

ELTON R. MEREDITH  
VICE-PRESIDENT

ROBERT BIGELOW, Q.C.  
VICE-PRESIDENT

T. GORDON TAYLOR  
GENERAL MANAGER

DENNIS W. JONES, F.C.I.S.  
ASSISTANT GENERAL MANAGER

F. C. BEVERIDGE  
SECRETARY AND TRANSFER OFFICER

K. J. BREAKEY  
ASST. MANAGER, STOCK TRANSFER DEPARTMENT

W. G. MASHINTER  
ACCOUNTANT

G. RAAG  
MANAGER, GUARANTEED TRUST DEPARTMENT

ARTHUR IVINEY  
MANAGER, MORTGAGE DEPARTMENT

T. J. F. ROSS  
SECURITIES OFFICER

W. E. DEWSNAP  
TRUST OFFICER

R. E. WHITE

SPECIAL REPRESENTATIVES

C. LESLIE CHITTICK

H. E. HALL

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*To Our Shareholders:*

The Fifty-Eighth Annual Report of the Corporation for the year 1969 is submitted for your approval.

As anticipated, the year 1969 was subject to escalating interest rates and the Government, in an attempt to cool out inflation, instituted a tight money policy. In addition price and wage increases accelerated, thus inducing serious strains on the Canadian economy. Nevertheless your Corporation experienced a satisfactory year as reflected in the financial statement.

Guaranteed Funds increased by \$4,789,109 to \$47,481,929.

In view of the uninviting climate in the Bond market, funds realized from maturing bonds were invested, with additional funds generated from Guaranteed Trust Certificates, in first mortgages. This portfolio shows an increase from \$33,288,000 to \$39,296,464. The net profit increased by \$26,689 to \$331,051, which represents earnings of 59¢ per share.

The results achieved could not have been attained without the continued interest and dedication of the Board of Directors and Staff and it is my privilege to extend to them, on your behalf, my sincere thanks.

TORONTO, January 23, 1970

N. F. PETERSEN,  
*President.*

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## THE STERLING TR

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## ASSETS

|  | 1969                       | 1968                       |
|--|----------------------------|----------------------------|
| Cash on hand and in banks - - - - -  | \$ 1,067,501               | \$ 1,023,737               |
| Securities, including accrued interest:  |                            |                            |
| Canadian and Provincial Government bonds, at amortized cost - - - - -                            | 2,907,723                  | 3,416,607                  |
| Other Securities, at cost, less reserve:   |                            |                            |
| Canadian Municipal bonds - - - - -   | 3,399,327                  | 3,858,907                  |
| Other bonds and debentures - - - - -   | 1,203,205                  | 1,226,204                  |
| Stocks - - - - -   | 1,786,238                  | 1,624,311                  |
| Total other securities (quoted market value 1969<br>-\$6,031,978 and 1968-\$6,659,015) - - - - - | 6,388,770                  | 6,709,422                  |
| Total Securities - - - - -   | <u>9,296,493</u>           | <u>10,126,029</u>          |
| Loans on bonds and stocks - - - - -  | 751,592                    | 1,046,227                  |
| Advances to estates - - - - -  | 44,074                     | 46,485                     |
| First mortgages, including interest due and accrued - -  | 39,296,464                 | 33,288,596                 |
| Office premises and equipment,<br>less amounts written off - - - - -                             | 176,855                    | 184,322                    |
| Other assets - - - - -   | <u>17,493</u>              | <u>13,171</u>              |
|  | <u><u>\$50,650,472</u></u> | <u><u>\$45,728,567</u></u> |
| Total assets under administration:   |                            |                            |
| Cash, securities and other assets held for estates,<br>trusts and agencies - - - - -             | 21,559,708                 | 20,246,055                 |
| Company's capital and guaranteed account assets -  | <u>\$50,650,472</u>        | <u>45,728,567</u>          |
|  | <u><u>\$72,210,180</u></u> | <u><u>\$65,974,622</u></u> |

# STS CORPORATION

SHEET

1, 1969

## LIABILITIES AND SHAREHOLDERS' EQUITY

|  | 1969                       | 1968                       |
|--|----------------------------|----------------------------|
| <b>Guaranteed Trust Account:</b>                                       |                            |                            |
| Savings deposits - - - - -   | \$ 8,564,368               | \$ 7,970,782               |
| Guaranteed trust certificates, including<br>accrued interest - - - - - | 38,917,561                 | 34,722,038                 |
| Total Guaranteed Account - - - - -                                     | <u>47,481,929</u>          | <u>42,692,820</u>          |
| Accounts payable - - - - -   | 24,753                     | 22,246                     |
| Dividend payable, January 2, 1970 - - - - -                            | 50,771                     | 62,053                     |
| Income taxes payable - - - - -   | 53,308                     | 39,705                     |
| Mortgage reserve - - - - -   | 545,000                    | 545,000                    |
| <b>Shareholders' Equity:</b>   |                            |                            |
| <b>Capital stock:</b>  |                            |                            |
| Authorized 1,000,000 shares of \$2.00 each                             |                            |                            |
| Issued and fully paid 564,120 shares - - - - -                         | 1,128,240                  | 1,128,240                  |
| Reserve fund - - - - -   | 1,250,000                  | 1,125,000                  |
| Retained earnings - - - - -  | <u>116,471</u>             | <u>113,503</u>             |
| Total Shareholders' Equity - - - - -                                   | <u>2,494,711</u>           | <u>2,366,743</u>           |
|  | <u><u>\$50,650,472</u></u> | <u><u>\$45,728,567</u></u> |

We certify that to the best of our knowledge and belief the foregoing balance sheet is correct and shows truly and clearly the financial condition of the Corporation's affairs.

RAY T. BIRKS, *Chairman of the Board*

NIELS F. PETERSEN, *President*

T. GORDON TAYLOR, *General Manager*

# THE STERLING TRUSTS CORPORATION

## STATEMENT OF EARNINGS

*For the year ended December 31, 1969*

|  | 1969              | 1968              |
|--|-------------------|-------------------|
| <b>Revenue:</b>  |                   |                   |
| Income from first mortgages - - - - -                                    | \$ 2,963,360      | \$ 2,369,811      |
| Income from bonds and stocks - - - - -                                   | 537,656           | 542,094           |
| Fees and commissions - - - - -   | 264,839           | 266,333           |
| Other operating revenue - - - - -  | 138,185           | 119,632           |
| <b>Total revenue</b> - - - - -   | <u>3,904,040</u>  | <u>3,297,870</u>  |
| <b>Expenses:</b>   |                   |                   |
| Interest on savings deposits and guaranteed trust certificates - - - - - | 2,717,824         | 2,214,522         |
| Salaries, staff benefits and commissions - - - - -                       | 421,723           | 386,813           |
| Other operating expenses - - - - -                                       | 244,443           | 218,080           |
| Office modernization and alterations - - - - -                           | —                 | 4,559             |
| Depreciation - - - - -   | 7,467             | 8,965             |
| <b>Total expenses</b> - - - - -  | <u>3,391,457</u>  | <u>2,832,939</u>  |
| Net earnings from operations - - - - -                                   | 512,583           | 464,931           |
| Net gain on realization of investments - - - - -                         | 42,468            | 49,431            |
| Net earnings before taxes on income - - - - -                            | 555,051           | 514,362           |
| Taxes on income - - - - -  | 224,000           | 210,000           |
| Net earnings for year, transferred to retained earnings - - - - -        | <u>\$ 331,051</u> | <u>\$ 304,362</u> |

## STATEMENT OF RETAINED EARNINGS

*For the year ended December 31, 1969*

|   |                   |                   |
|---|-------------------|-------------------|
| Balance at beginning of year - - - - -                                      | \$ 113,503        | \$ 73,583         |
| <b>Add:</b>   |                   |                   |
| Transfer from net earnings for the year - - - - -                           | 331,051           | 304,362           |
| Reduction in income tax by reason of transfer to mortgage reserve - - - - - | —                 | 78,000            |
|   | <u>444,554</u>    | <u>455,945</u>    |
| <b>Deduct:</b>  |                   |                   |
| Transfer to reserve fund - - - - -  | 125,000           | —                 |
| Transfer to mortgage reserve - - - - -                                      | —                 | 145,000           |
| Dividends - - - - -   | 203,083           | 197,442           |
|   | <u>328,083</u>    | <u>342,442</u>    |
| Balance at end of year - - - - -  | <u>\$ 116,471</u> | <u>\$ 113,503</u> |

# THE STERLING TRUSTS CORPORATION

## STATEMENT OF RESERVE FUND

*For the year ended December 31, 1969*

|                                     | <u>1969</u>         | <u>1968</u>         |
|-------------------------------------|---------------------|---------------------|
| Balance at beginning of year        | \$ 1,125,000        | \$ 1,125,000        |
| Add transfer from retained earnings | 125,000             | —                   |
| Balance at end of year              | <u>\$ 1,250,000</u> | <u>\$ 1,125,000</u> |

## STATEMENT OF MORTGAGE RESERVE

*For the year ended December 31, 1969*

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Balance at beginning of year        | \$ 545,000        | \$ 400,000        |
| Add transfer from retained earnings | —                 | 145,000           |
| Balance at end of year              | <u>\$ 545,000</u> | <u>\$ 545,000</u> |

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of The Sterling Trusts Corporation as at December 31, 1969, and the statements of earnings, retained earnings, reserve fund and mortgage reserve for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Trust Account and for Estates, Trusts and Agencies are kept separate from the corporation's own assets and are so recorded on the books of the corporation as to show the accounts to which they belong.

In our opinion, the accompanying balance sheet and statements of earnings, retained earnings, reserve fund and mortgage reserve, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the corporation as at December 31, 1969 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the corporation.

TORONTO, ONTARIO, January 16, 1970

PEAT, MARWICK, MITCHELL & CO.,  
*Chartered Accountants*

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## OFFICES

TORONTO, ONTARIO 372 BAY STREET

D. W. JONES, F.C.I.S., *Manager*

BARRIE, ONTARIO 35 DUNLOP STREET

J. A. SHUTE, *Manager*

ORILLIA, ONTARIO 73 MISSISSAGA ST. E.

B. M. HEWITT, *Manager*

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## SERVICES

Estates Department

Guaranteed Trust Account

Savings Department

Safe Deposit Boxes

Real Estate Department

Property Management

Corporate Trust and Transfer Department

Financial Agency

Mortgage Department

Retirement Savings Plan

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